

May 10, 2004

California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, California 95814

Re: Docket Nos. 03-IEP-01 and 03-RPS-1078

Dear Commissioners and Staff:

Southern California Edison Company appreciates this opportunity to submit reply comments concerning the May 4, 2004 committee workshop on accelerated renewable energy development.


As most workshop participants recognized, considering whether to establish accelerated renewable goals beyond 20 percent by 2010 is premature. The utilities have conducted successful interim and transitional solicitations which have been faithful to both the letter and spirit of the RPS legislation. Yet no utility has yet conducted a solicitation pursuant to the legislation, which remains to be fully implemented by the Public Utilities Commission (CPUC).

Implementation of the current renewable portfolio standard has posed significant challenges for regulators and stakeholders. Many critical aspects of the RPS legislation are still being considered. The CPUC has not yet issued a decision concerning standard terms and conditions. Although progress was made in workshops concerning Market Price Referent methodology and process, the CPUC must still provide guidance to the parties in this area. Further, uncertainty remains concerning the calculation of baseline and annual procurement targets, treatment of line losses and the application of banking and penalty provisions. The CPUC has, only recently, opened an OIR to address many of these issues.

Actual experience in procurement pursuant to the RPS legislation is needed in order to allow policy makers to understand the cost associated with current procurement goals and any revisions to those goals. The wisdom of increasing overall goals and targets for procuring utilities may depend on a number of factors, including the adequacy of current Public Goods Charge funds. It is difficult, if not impossible, to assess the impact of increasing procurement targets without first resolving many of the issues noted above. Regulators, utilities and other stakeholders should have the opportunity to gain practical experience by conducting solicitations pursuant to the current RPS legislation, as ultimately implemented by the CPUC, before further

consideration is given to additional acceleration or expansion of existing RPS procurement obligations.

Very truly yours,



Handwritten signature of Berj K. Parseghian in cursive script.

Berj K. Parseghian

BKP:bkp:LW041310035.doc